STATE OF MAINE



DEPARTMENT OF ENVIRONMENTAL PROTECTION



JANET T. MILLS **GOVERNOR**

MELANIE LOYZIM **COMMISSIONER**

April 4, 2025

Senator Tim Nangle Representative Lydia Crafts Committee on Transportation

RE: L.D. 115, An Act to Assess Impact Fees on Megayachts

Senator Nangle, Representative Crafts, and Members of the Committee on Transportation,

The Maine Department of Environmental Protection (DEP) opposes L.D. 115, An Act to Assess Impact Fees on Megayachts.

The fees proposed in L.D. 115 would provide ongoing revenues for harbor infrastructure, sea level rise mitigation infrastructure, and public transport infrastructure. These are important investments to make Maine more resilient to the damaging effects of climate change. The proposed fees would be levied against a narrow population that may be presumed able to afford the fee because they own a megayacht.

L.D. 115 would create a new responsibility for municipalities that collect slip fees to add an additional fee to megayachts over 150 long, and to transmit 90% of those megayacht fees to the State. The DEP opposes L.D. 115 because it establishes that requirement in Title 38 under the authority of the DEP. It gives DEP a new authority over municipalities, and failure to properly collect fees would be an enforceable violation subject to DEP's general enforcement authorities at 38 M.R.S. §347-A. The DEP does not have information regarding which municipalities would be subject to this new requirement, but estimates it could affect any coastal municipality.

L.D. 115 would also require the DEP to establish a program for distribution of the funds generated by the new fees. While L.D. 115 would provide 10% of megayacht fees to be retained by the municipality that collects the fee, it would not provide any funding for administrative costs of the DEP to oversee compliance by affected municipalities or administer a new funding program. L.D. 115 does not specify if DEP should distribute the funds in the form or grants or

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loans; it appears the DEP could determine those details through rulemaking, which creates an additional administrative burden for the DEP.

There are existing grants programs administered by the Maine Department of Transportation (MaineDOT) for waterfront facilities that may already serve some of the purposes contemplated by L.D. 115. The Sport Fishing Restoration and Boating Trust Fund (SFRBTF) is funded by excise tax on fishing equipment, excise tax on recreational fishing equipment, boat fuel tax, import duties, and fund interest. MaineDOT administers the Boating Infrastructure Grant Program (BIG), in partnership with USFWS to fund marina and recreational boating infrastructure projects. Many large marinas in Maine have used funds from this program to make significant upgrades. Funding for the BIG program is derived from the SFRBTF, and MaineDOT partners with municipalities and private marina businesses to award funds through this program.

MaineDOT also administers the Small Harbor Improvement Program (SHIP), which exists to improve and build infrastructure for municipal waterfront facilities. The SHIP program has an annual budget of \$500,000 and selects several projects each year for funding awards for the purpose of improving docks, floats, piers/wharves, and various other working waterfront facilities. The SHIP program is funded with multimodal transportation bond funding.

Thank you for your consideration of the Department of Environmental Protection's comments. Please let me know if additional information would be helpful.

Commissioner

Maine Department of Environmental Protection

cc: Senator Rick Bennett

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